

**Minutes
Hurst City Council
Work Session
July 30, 2016**

On the 30th day of July 2016, at 7:40 a.m., the City Council of the City of Hurst, Texas, convened in a Work Session at Hurst Conference Center, 1601 Campus Drive, Hurst, Texas, with the following members present:

Richard Ward	)	Mayor
Larry Kitchens	)	Mayor Pro Tem
Bill McLendon	)	Councilmembers
David Booe)	
Trasa Cobern)	
Nancy Welton)	
Larry Kitchens)	
Clay Caruthers	)	City Manager
Allan Heindel	)	Deputy City Manager
Steve Moore	)	Police Chief
Steve Niekamp	)	Assistant Police Chief
Steve Bowden	)	Economic Development Director
Matia Messemer	)	Executive Director of Human Resources
Paul Brown	)	Managing Director of Finance
Joni Baldwin	)	Budget Director
Cynthia Singleton	)	Deputy City Secretary

With the following members absent: None, constituting a quorum; at which time, the following business was transacted:

1. **Multi-Year Financial Plan Discussion** - City Manager Clay Caruthers provided a review of the preliminary Fiscal Year 2016-2017 General Fund budget of \$34,549,484, representing a 3.25% increase, and Preliminary Fiscal Year 2016-2017 Enterprise Fund budget of \$22,149,070, representing a 1.6% increase, and an overview of future issues and challenges for the fiscal year. He further stated the City's sales tax revenue increase is in the range of 3% year-to-date; the property tax revenue is anticipated to finish the year 2% higher than the previous year; the preliminary tax rolls for Fiscal Year 2016-2017 includes a total net taxable value increase of 6%, and the preliminary budget also includes a tax rate reduction of approximately one cent.

City Manager Clay Caruthers spoke regarding the Fiscal Year 2012 through 2016 sales tax comparison, active 380 Agreements and strategies to obtain a positive cost benefit from the agreements, and the success of Northeast Mall.

Economic Development Director Steve Bowden spoke regarding the types of businesses that generate sales tax, the top 25 sales tax generators, and the composition and success of the Northeast Mall. Mr. Bowden provided information related to the purpose for which 380 agreements are utilized, and advantages of the agreements for redevelopment of the City.

City Manager Caruthers outlined the benefits of the City's current 380 Agreements and the various types of incentives to encourage economic development.

Mayor Ward recessed the meeting at 9:54 a.m. and reconvened the meeting at 10:10 a.m.

Police Chief Steve Moore spoke regarding the current high risk environment for police officers and factors causing the unrest. Chief Moore provided information regarding safety precautions, procedures, and equipment needed to protect police officers' physical safety. He also outlined funding options for the equipment.

City Manager Caruthers spoke regarding the City's commitment to remaining community friendly even in a challenging environment.

City Manager Clay Caruthers reported the City's fiscal condition remains strong as supported by credit-rating agency reviews. Mr. Caruthers stated the City's proposed tax rate of \$0.5879, is lower than the previous year's rate and the effective tax rate of \$0.55101 is the total tax rate needed to raise the same amount of property tax revenue for the City of Hurst in the 2015 and 2016 tax year. He reviewed the tax rate impact to citizens and the debt capacity.

Councilmember Kitchens requested publication of the tax rate on the web site.

Councilmember Booe suggested implementation of a formal process for employees to suggest cost cutting initiatives.

There was general discussion regarding the Special Projects Fund allowed uses and funding options for police vests and body cameras.

City Manager Caruthers reviewed the water and wastewater charges, decreased consumption, proposed a 4% increase in the retail water rates, and recommended an Enterprise Fund rate study to ensure rates are efficient and equitable.

Deputy City Manager Allan Heindel provided information regarding the Half Cent Sales Tax Fund and reviewed the major factors impacting the fund balance, Increases to Direct Expenses in Fiscal Year 2015-16, and projected Increases to Direct Expenses for Fiscal Year 2016-2017.

Mr. Heindel spoke regarding the Parker Cemetery improvements and stated the cemetery will be treated as a true historical site.

Councilmember Kitchens stated Mrs. Kitchens conducted significant research on Parker Cemetery and documented the history of the development of the cemetery.

Deputy City Manager Heindel reviewed the status of the Central Aquatic Center Project and the recreation center repairs.

Councilmember Cobern commended staff on the care and condition of the City parks.

Councilmember Wilson stated, over the past several years, recent bond refinancing saved the City over 7 million dollars.

There was general discussion regarding minimizing debt issuance.

Economic Development Director Steve Bowden provided information regarding the redevelopment study to be conducted by Jason Claunch of Catalyst Commercial, and stakeholders meetings to receive citizen input. Councilmember Kitchens requested the Highway 10, Bellaire area, be included in the study. Mr. Kitchens also suggested a new slogan be developed to replace Transforming Hurst.

City Manager Caruthers spoke regarding the payday lending industry and the TML model ordinance to address the issue, and reviewed the calendar for meetings on August 16, 23, 30, 2016 and September 6, 2016.

Mayor Ward appointed Councilmembers Bill McLendon, David Booe and Trasa Cobern to the Finance Committee.


Mayor Ward appointed Mayor Pro Tem Larry Kitchens and Councilmembers Henry Wilson and Nancy Welton to the Personnel Committee.

City Manager Clay Caruthers expressed appreciation to the City Council for their guidance and to the staff for their support during his transition to City Manager.


Adjournment - The meeting adjourned at 12:05 p.m.

APPROVED this the 23rd day of August 2016.

ATTEST:


Rita Erick, City Secretary

APPROVED


Mayor Richard Ward